

**BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

Meeting Date: ^{March} ~~March~~ 16, 2005

Division: Monroe County Housing Authority

Bulk Item: Yes X No

Department: Special Programs Office

AGENDA ITEM WORDING: A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF MONROE COUNTY, FLORIDA PROVIDING FOR A SUBORDINATION OF MORTGAGE FOR PROPERTY ENCUMBERED BY A MORTGAGE TO MONROE COUNTY IN CONJUNCTION WITH THE MONROE COUNTY STATE HOUSING INITIATIVES PARTNERSHIP (SHIP) PROGRAM.

ITEM BACKGROUND: The Monroe County SHIP Program provided funding in the amount of \$50,000 for the rehabilitation to 5 of 7 units of affordable rental property located at 3918 Gulfview Avenue, Marathon. In consideration of SHIP funding, the property is subject to a mortgage to Monroe County in the amount of \$50,000. The property is subject to affordability restrictions contained in the mortgage. The Owner requests a Subordination of Mortgage in order to refinance the existing primary mortgage and borrow against the additional equity in the property in the amount of \$20,000 for the purposes of completing improvements to the remaining and currently uninhabitable two previously unimproved affordable units. These units would be occupied as affordable rentals and subject to the conditions of the existing Monroe County mortgage.

PREVIOUS RELEVANT BOCC ACTION: N/A

CONTRACT/AGREEMENT CHANGES: N/A

STAFF RECOMMENDATION: Approval. Note: The proposed CLTV after additional private financing would be 80%. This is the maximum allowable under industry norms and SHIP mortgage in second/subordinate position. Mitigating this risk would be addition of two additional affordable rental units.

TOTAL COST: \$-0- **BUDGETED:** Yes No X

COST TO COUNTY: \$-0- **SOURCE OF FUNDS:** N/A

REVENUE PRODUCING: Yes No X **AMOUNT PER:** Month Year

APPROVED BY: County Attny. AA OMB/Purchasing Risk Management

DIVISION DIRECTOR APPROVAL:

J. Manuel Castillo, Sr., Executive Director
Monroe County Housing Authority

DOCUMENTATION: Included X To Follow Not Required

DISPOSITION: **AGENDA ITEM #**

RESOLUTION _____ - 2005

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF MONROE COUNTY, FLORIDA PROVIDING FOR A SUBORDINATION OF MORTGAGE FOR PROPERTY ENCUMBERED BY A MORTGAGE TO MONROE COUNTY IN CONJUNCTION WITH THE MONROE COUNTY STATE HOUSING INITIATIVES PARTNERSHIP (SHIP) PROGRAM.

WHEREAS, Monroe County State Housing Initiatives Partnership Program contributed funding in the amount of \$50,000 for rehabilitation of five (5) of seven (7) rental apartments located at 3918 Overseas Highway, Marathon, Florida, and;

WHEREAS, in consideration of said funding Monroe County placed a subordinate (2nd position) mortgage lien on the property containing affordability restrictions for a term of fifteen (15) years subject to a forgiveness of principal at the rate of 15% annually, and;

WHEREAS, the owner now desires to refinance the existing primary mortgage, borrowing additional funds in the amount of \$20,000 for the purpose of rehabilitating the remaining two (2) unoccupied and uninhabitable rental units on the subject property, and;

WHEREAS, upon review of an appraisal and proposed primary mortgage terms, the combined loan to value after refinance of the primary mortgage will result in a combine loan to value of 80%, which is within but at the maximum amount allowable under lending industry norms,

WHEREAS, the results of approval of the applicants request, is expected to be the creation of two additional habitable rental units subject to the affordability restrictions contained within the existing SHIP mortgage.

NOW, THEREFORE, BE IT RESOLVED, by the Board of County Commissioners of Monroe County, Florida, that the County hereby:

Hereby authorizes the County Administrator to execute a Subordination of Mortgage, attached hereto as "Exhibit A".

PASSED AND ADOPTED, by the Board of County Commissioners of Monroe County, Florida at a regular meeting on said Board on the _____ day of _____, A.D., 2005

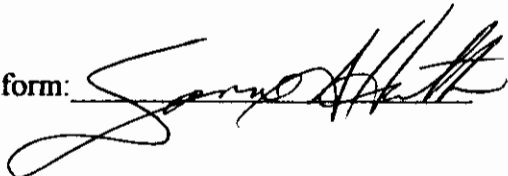
BOARD OF COUNTY COMMISSIONERS
OF MONROE COUNTY, FLORIDA

Mayor Spehar _____
Mayor Pro Tem Nelson _____
Comissioner Neugent _____
Commissioner McCoy _____
Commissioner Rice _____

By: _____
Mayor Spehar

SEAL
ATTEST:

Approved as to form:



Date: 2/8/05

AGREEMENT TO SUBORDINATE LOAN

THIS AGREEMENT made this ____ day of _____ 2005 between **MONROE COUNTY** herein referred to as "Lienholder," having its principal office at Monroe County Courthouse, 500 Whitehead Street, Key West, FL 33040, and **HOME FEDERAL BANK OF HOLLYWOOD**, herein referred to as "Lender", a Corporation organized under the laws of the State of Florida

THE PARTIES STIPULATE AND RECITE THAT:

- A. By reason of that Mortgage given by Lienholder to Sheria Sawyer, Irving Sawyer and Delores Sawyer, herein referred to as "Owner," in the amount of **FIFTY THOUSAND DOLLARS AND NO CENTS (\$50,000.00)**, dated the 1st day of December 2001 and recorded the 21st day of December 1995 in Official Records Book 1747 Page 1922 upon the property hereinafter described,

Lot 13 of Block 5, Resubdivision of part of Block 2 and all of Block 5 of Marathon Beach, a subdivision of part of Government Lot 3, Section 10, Township 66 South, of Range 32 East, according to the plat thereof as recorded in Plat Book 2 at Page 21, of the Public record of MC

Which has the street address of **3918 Gulfside Avenue, Marathon, Florida 33050**

- B. Owner desires to negotiate a loan from Lender, and Lienholder acknowledges that such loan is in his best interest.

- C. Lender is willing to loan money to Owner if Lienholder will subordinate his present lien against the above-described property of Owner.

FOR THE REASONS SET FORTH ABOVE AND IN CONSIDERATION OF THE MUTUAL COVENANTS AND PROMISES OF THE PARTIES HERETO, LIENHOLDER AND LENDER AGREE AS FOLLOWS:

The lien of Lienholder against the above-described property of Owner shall be subordinate to the claim of Lender under the Mortgage Deed (security agreement) executed by Owner, dated the ____ day of _____ 200__ and recorded on the ____ of _____ 200__ in O.R. Book _____, Page _____, of the Public Records of Monroe County, Florida. Future loans made by Lender to Owner shall not be subordinate to the claims of Lienholder.

Lienholder shall assign to Lender all sums presently due to Lienholder from Owner until the above-described loan of Lender is paid in full. Lienholder shall execute such additional assignments as Lender may require to give effect to this agreement.

IN WITNESS WHEREOF, the parties have executed this agreement at Monroe County, State of Florida, the day and year first above written.

WITNESSES

MONROE COUNTY

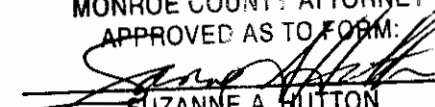
Witness Signature
Printed Name:

By: _____

County Administrator

Witness Signature
Printed Name:

MONROE COUNTY ATTORNEY
APPROVED AS TO FORM:


SUZANNE A. HUTTON
ASSISTANT COUNTY ATTORNEY
Date 2/08/05

STATE OF FLORIDA COUNTY OF MONROE

I HEREBY CERTIFY that on this _____ day of _____, 20____ before me, an officer duly qualified to take acknowledgments, personally appeared _____, to me known to be the person/s described in and who executed the foregoing instrument and acknowledged before me that he/they executed the same. Driver License/s shown as identification.

SEAL

NOTARY PUBLIC SIGNATURE

Printed Name of Notary

Commission No.: _____

My Commission Expires: _____

Witness Signature
Printed Name:

HOME FEDERAL BANK OF HOLYWOOD

By: _____

Title: _____

Witness Signature
Printed Name:

STATE OF FLORIDA COUNTY OF MONROE

I HEREBY CERTIFY that on this _____ day of _____, 20____ before me, an officer duly qualified to take acknowledgments, personally appeared _____, to me known to be the person/s described in and who executed the foregoing instrument and acknowledged before me that he/they executed the same. Driver License/s shown as identification.

SEAL

NOTARY PUBLIC SIGNATURE

Printed Name of Notary

Commission No.: _____

My Commission Expires: _____